

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Estee Bedding Company

Chicago Manufacturing Center

Estee Bedding Responds to Overseas Competition With Help From CMC

Client Profile:

Estee Bedding Company has been in the sleep business since 1924. Local competition almost did the company in after World War II, but Estee managed to hang onto its two biggest customers by doing contract bedding. Current President Tim Enright came on board in 1989 as relationships with those two customers were hanging by a thread. One was being bought out, and the other indicated it was not going to reorder. Enright recognized the potential in the made-to-order business and got a lock on the market for Estee. His business model called for making odd sizes in large volumes. He focused his energy on being a tier 1 supplier to the trucking industry. Located in Chicago, Illinois, Estee employs 19 people.

Situation:

Estee's business model was successful, with no advertising, marketing or sales people, until China began to build bedding sets, although not for export. Even though Enright had not yet lost a single contract to low-cost competitors, he knew the day was coming when the Chinese would export its finished products to America. He saw an opportunity in mass customization and aggressively went after that market. Enright contacted the Chicago Manufacturing Center (CMC), a NIST MEP network affiliate, for assistance with developing strategies to combat the potential threat from overseas.

Solution:

Enright revised Estee's business model with a more retail approach using mass customization. Enright and his production team developed a basic mattress made that could be manufactured with five different types of cores. One of Enright's biggest concerns was working with suppliers that meet international certification standards. CMC helped Enright develop written procedures to vet suppliers. CMC also helped Estee revamp its web site to sell the customized mattresses.

Results:

- * Increased inquiries by 30 per week.
- * Anticipated increase of orders from retirement communities, nursing homes, and hospitals.
- * Hired a sales person due to increased activity on web site.
- * Investigating new markets in accessories for customized bedding.

Testimonial:

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